

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORD MOTOR COMPANY
Petitioner,

v.

NEO WIRELESS, LLC
Patent Owner.

U.S. Patent No. 10,447,450

IPR Case No.: 2023-00763

**PETITIONER'S REQUEST FOR
DIRECTOR REVIEW / REHEARING**

I. INTRODUCTION

Pursuant to 37 C.F.R. §42.71(d), and the Revised Interim Director Review Process (“RIDRP” at <https://www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process>), Patent Owner requests the Director to review the Decision Denying Institution (Paper No. 17). This request is directed to one issue.

The Panel abused its discretion in denying Institution under 35 U.S.C. § 314(a). The Panel improperly extended Factor 1 of *General Plastic*¹ to find direct *competitors* who sell *different* products to have a “significant relationship” by virtue of their involuntary inclusion—over their objection and at the Patent Owner’s request—in a consolidated multidistrict litigation. The Panel’s denial is in contradiction to prior precedents—including the precedential decision of *Valve Corp. v. Elec, Scripting Prod., Inc.*, IPR2019-00062, Paper 11 (PTAB Apr. 2, 2019) (*precedential*) and several follow-on decisions applying *Valve*².

¹ *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (*precedential*).

² *Illumina, Inc., v. Ravgen, Inc.*, IPR2021-01271, Paper 12 (PTAB Jan. 26, 2022); *Google LLC, v. Neonode Smartphone LLC*, IPR2021-01041, Paper 19 (PTAB Jan. 13, 2022; *Unified Patents, LLC, v. Torchlight Tech LLC*, IPR2022-01500, Paper 15 (PTAB May 4, 2023); *Facebook, Inc., v. Express Mobile Inc.*, IPR2021-01455,

Consistent application of the *General-Plastic* factors is an important issue of law and policy to both the Office and patent community.

Unlike the petitioners in *Valve*, Ford and VW are not co-defendants and are not accused of infringing US Patent No. 10,447,450 based on a same product. Instead, Ford and VW are *competitors* and sell *different* accused products. Ford and VW are merely part of a single multidistrict litigation (MDL) including several other parties joined for pretrial proceedings only. The follow-on cases to *Valve* make clear that being part of MDL is insufficient to warrant discretionary denial under § 314(a). *See, e.g., Qualcomm* at 16–17 (“Even if Petitioner and AMD are in a joint-defense group, that does not establish a relationship that counsels for denying institution.”). Therefore, the Panel erred by weighing Factor 1 of *General Plastic* in favor of denial based only on Ford’s and VW’s participation in an MDL. All of the remaining *General-Plastic* factors either disfavor discretionary denial or are neutral.

II. STANDARD FOR REVIEW

The Director “may review final PTAB decisions and ... issue decisions ...

Paper 11 (PTAB March 4, 2022); *Twitter, Inc., v. Palo Alto Rsch. Ctr.*, IPR2021-01458, Paper 11 (PTAB Apr. 6, 2022); *Qualcomm Inc. v. Monterey Rsch., LLC*, IPR2020-01492, Paper 9 (PTAB Mar. 8, 2021).

on behalf of the Board.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1987 (2021). Pursuant to the RIDRP, subpart 2.B., “a party may [] seek Director Review of the Board’s (1) decision whether to institute a trial . . . such review may be of decisions presenting issues of “(a) an abuse of discretion, [or] (b) important issues, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.”

“An abuse of discretion occurs where the decision is based on an erroneous interpretation of the law, . . . or represents an unreasonable judgment in weighing relevant factors.” *Gose v. U.S. Postal Service*, 451 F.3d 831, 836 (Fed. Cir. 2006).

Pursuant to the RIDRP, 3.E., “[t]he Director will not consider new evidence or new arguments not part of the official record.” All arguments below were previously advanced in the Petition.

III. ANALYSIS

A. The Panel’s Failure to Follow Precedent Presents Important Issues of Policy Concerning Consistent Application of *General Plastic* Factors

In *General Plastic*, the Board provided a non-exhaustive list of factors to consider when evaluating whether or not to exercise discretion, under § 314(a), to deny institution of *inter partes* review. The first Factor is “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” *General Plastic* at 15. *Valve* extended Factor 1 to also apply when a “significant relationship” exists between different petitioners challenging the same

patent. *Valve* at 2. *Valve* found a “significant relationship” exists when the different petitioners are (i) co-defendants *and* (ii) were each selling—through a single supply chain—the *exact same* device accused of infringement, as distinct from two competitors selling *similar* but *different* devices. *Valve* at 9–10. Subsequent panels have consistently declined to extend *Valve* beyond these facts finding no “significant relationship” when the different petitioners were not co-defendants nor accused of infringing the challenged patent based on the same product.

In *Illumina*, the Patent Owner requested denial based on prior petitions by Quest and Labcorp. *Illumina* at 15. Patent Owner, citing *Valve*, alleged a “significant relationship” existed due to a common supplier for a key component and a supply agreement between the three companies. *Id.* at 16. *Illumina* declined to extend *Valve* to these facts holding:

To the extent there is any relationship between Illumina and the earlier challengers, we find that such relationship is not a “significant” one, such as contemplated by *Valve*. **First**, although Illumina, Natera, Quest, and Labcorp are each defendants accused of infringing the ’720 patent, **unlike Valve, they are not co-defendants in the same case . . . Second**, the “significant relationship” in *Valve* turned in large part on the fact that co-defendants and serial petitioners in that case, HTC and Valve, were each accused of infringement based on the same device—HTC’s VIVE device. Indeed, there was

evidence that Valve not only licensed its technology to HTC but also that Valve helped HTC design the accused VIVE device. Here, by contrast, **Illumina and, for example, Natera were sued based on their own alleged infringing pre-natal tests.**

Illumina at 16–17. (Emphasis added.)

The Panel in *Facebook* similarly declined to extend *Valve*. There, the Patent Owner alleged a “significant relationship” between Petitioner and Google because they were sued in the same court on the same day and have coordinated on non-infringement positions. The Panel held:

We are not persuaded that Petitioner’s and Google’s status as defendants in co-pending litigation involving the ’755 patent rises to the type of “significant relationship” described in *Valve*. In *Valve*, the Board noted that “Valve and HTC were co-defendants in the District Court litigation and were accused of infringing the [challenged] patent based on HTC’s VIVE devices that incorporate technology licensed from Valve.” . . . Nothing in the present record indicates any such relationship between Petitioner and Google. Rather, they were sued by Patent Owner on the same day—as part of a myriad of similar filings against dozens of other defendants.

Facebook at 11.

The Panel in *Unilock* was even more direct: “Patent Owner does not contend that Mercedes-Benz and Volkswagen are accused of infringement based on the same products. Thus, *Valve* does not apply.” *Unilock* at 18.

In *Twitter*, the petitioner and prior petitioners coordinated their invalidity contentions in the parallel district court litigation. The panel, applying *Valve*, found this to be insufficient under Factor 1 to favor discretionary denial. *See also Qualcomm*, (“Even if Petitioner and AMD are in a joint-defense group, that does not establish a relationship that counsels for denying institution.”) and *Shenzhen Silver Star Intelligent Tech. Co., Ltd. v. iRobot Corp.*, No. IPR2018-00761, Paper 15 at 9–10 (PTAB Sept. 5, 2018) (participation in JDG was insufficient for Factor 1 to favor patent owner).

In *Google*, the Panel understood *Valve* to only apply when the different petitioners were co-defendants and were accused of infringing the patent based on the *same product*. *Google* at 10. The Panel declined to extend *Valve*, finding insufficient relationship even though Google’s operating system was installed on Samsung’s accused phones. *Id.* at 11.

This Panel ignored this extensive body of prior decisions in weighing Factor 1 against Petitioner. The Panel found a “special relationship” based solely on “the filing of joint claim construction and invalidity contentions.” Institution Decision, Paper 17 at 15–16. This is in direct contradiction to *Twitter*, *Qualcomm*, and *Shenzhen*. The Panel also failed to consider whether Ford and VW were accused of infringing the ’450 patent based on the same product. *Unilock*, *Illumina*, and *Facebook*, make clear that no “special relationship” exists where the accused

infringement is based on different products.

This panel's decision breaks with a clear line of decisions and should be reversed to maintain the consistent body of decisions established by prior panels.

B. The Panel Abused Its Discretion by Weighing the General Plastic Factors in Favor of Denial of Institution

1. Factor 1 Favors Institution

This Petition is the first and only petition filed by Ford against US Patent No. 10,447,450 ("’450 Patent"). The ’450 Patent was previously challenged by Dell³ and Volkswagen ("VW"). (*See* IPR2021-01486 and IPR2022-01567.) Ford and VW are not the same entity (they are direct competitions) and Ford was not involved in the preparation of VW's petition. Thus, Factor 1 does not directly apply to this case. (Pet. at 54.) Ford and VW also lack the "significant relationship" identified *Valve* because Ford and VW are (i) not co-defendants and (ii) are not accused of infringing the ’450 patent based on a same product. *Valve* at 9–10.

a. Ford and VW are Not Co-Defendants

While both Ford and VW were sued by Patent Owner for infringing the ’450 Patent, they are not co-defendants. (Pet. at 55.) Patent Owner sued Ford in the Western District of Missouri, VW in Eastern District of Tennessee, and several

³ The Panel did not exercise denial based on the Dell petition. As such, Dell will not be discussed.

other automotive manufactures in other courts. After filing suit, Patent Owner successfully transferred all cases to the Eastern District of Michigan for *pretrial* proceedings. (*Id.*) The trials themselves will proceed *separately* for Ford and VW, and will take place in *different* courts in Missouri and Tennessee. (*Id.*)

The Panel acknowledged that Ford and VW are not co-defendants, but instead of following precedent and weighing Factor 1 in favor of Ford, the Panel extended *Valve* finding a “significant relationship” between Ford and VW based solely on “the filing of joint claim construction and invalidity contentions.” Institution Decision, Paper 17 at 15–16. The Panel cited no supporting authority nor did the panel distinguish the contrary panel decisions cited in the Petition and discussed above. Indeed, *Twitter* (as well as *Qualcomm* and *Shenzhen*) expressly rejected this, finding coordinated invalidity contentions to be insufficient to establish a “special relationship” between the petitioner and prior petitioner. *Twitter* at 31–33.

The facts of this case are also similar to *Facebook*, where the Panel found Factor 1 favored institution. In that case, Express Mobile sued nine parties on the same day, including Google and Facebook, and several others shortly before and after. *Facebook* at 11. (recognizing “myriad” suits). Google (like VW here) filed its IPR early, and Facebook (like Ford here) filed its IPR months later. The Board found the parties were not related, even though Google and Facebook were sued in

the same court on the same day, and despite the “coordination among numerous defendants” that is “often required in multi-defendant patent cases.” (Id. at 9–11.; Pet. at 55–56.)

As explained in the Petition, the parties are even less related here. The defendants were sued in *different* courts concerning *different* accused products, and their trials will be held separately in those different courts. Most of them (including VW and Ford) opposed Neo’s effort to consolidate pretrial proceedings in MDL. In short, Neo ensured that the defendants it sued in different courts would be forced to file, e.g., consolidated invalidity contentions. (Pet. at 56.) As recognized by *Facebook*—and *Twitter* and *Qualcomm*—this does not create the “significant relationship” contemplated by *Valve* when extending *General Plastic* to different petitioners.

**b. This Panel Erred by Failing to Analyze the
“Same Product” Requirement of Valve**

Absent accused infringement based on a same product, *Valve* does not apply. *See e.g., Unilock* at 18 (“Patent Owner does not contend that Mercedes-Benz and Volkswagen are accused of infringement based on the same products. Thus, *Valve* does not apply.”) and *Facebook* at 11 (“We are not persuaded that Petitioner’s and Google’s status as defendants in co-pending litigation involving the ’755 patent rises to the type of “significant relationship” described in *Valve*. In *Valve*, the

Board noted that “Valve and HTC were co-defendants in the District Court litigation and were accused of infringing the [challenged] patent based on HTC’s VIVE devices that incorporate technology licensed from Valve.”).

In deciding whether or not a “significant relationship” exists between Ford and VW, this panel failed to consider that Ford and VW are *not* accused of infringing the ’450 Patent based on a same product. Patent Owner has not accused VW and Ford of infringement based on the same product, and, unlike HTC and Valve, Ford did not incorporate VW’s technology under license or receive VW’s technical assistance with respect to the accused products, or *vice versa*. Patent Owner has merely contended in court (but has not proven) that Ford and VW infringe by complying with the cellular LTE specification. But, even if true, and even Ford and VW fully comply with the relevant aspects of the LTE specification, it takes much more than that to establish the requisite “significant relationship.” (Petition at 55.) In *Illumina*, the two petitioners had an even stronger connection than here—both used the same supplier for a key component—and the Panel still found the parties lacked a “significant relationship” as contemplated by *Valve*. *Illumina* at 16.

Ford and VW are not codefendants and do not share a same product accused of infringing the ’450 Patent. Therefore, Factor 1 favors institution.

2. Factors 2, 4, and 5 Favor Institution or are Neutral

The Panel’s findings regarding Factors 2, 4, and 5 are based on its erroneous finding that Factor 1 favors denial. Since Ford has no “special relationship” with VW, these factors are moot. *Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 24–26 (Oct. 21, 2020) This is especially so when, as here, the later-filed petitioner relies on different prior art. *Google LLC v. Neonode Smartphones LLC* at 12–14. (Petition at 57.)

3. The Panel Decided Factor 3 in Favor of Ford

The Panel weighted Factor 3 as neutral. Institution Decision at 22.

4. Factors 6–7 Favor Institution or are Neutral

In *Code200*, the Director disagreed with the Board’s finding that it would have been “inefficient to expend Board resources on this proceeding, under factor 6.” *Code200, UAB v. Bright Data Ltd.*, IPR2022-00861, Paper 18 at 6 (PTAB Aug. 23, 2022) (*precedential*). Rather, the Director explained that the Patent Office’s statutory mission to improve patent quality and public confidence in the presumption of validity outweighed the Board’s inefficiency rationale. *Id.* The same is true here, where Ford challenged the claims based on different prior-art grounds. Additionally, other panels have found efficiencies gained, where, like here, the panels are already familiar with the patent due to prior proceedings. *Illumina* at 25. The Panel did not indicate institution of this petition would pose difficulty in meeting the one-year deadline and indeed it would not.

C. CONCLUSION

This panel has misapplied the factors of *General Plastic* resulting in a decision that improperly denied institution and muddled the waters for future cases. The Director should intervene and reverse the Panel to maintain a clean body of law for future panels to apply. Petitioner respectfully requests the Director to institute *inter partes* review of the '450 Patent.

Dated: December 11, 2023

Respectfully submitted,

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Certificate of Service

The undersigned hereby certifies that on December 11, 2023, a complete and entire copy of **PETITIONER'S REQUEST FOR DIRECTOR REVIEW / REHEARING**, was served via electronic mail to the attorneys listed below at the following email addresses: NeoWireless_IPRs@lowensteinweatherwax.com; lowenstein@lowensteinweatherwax.com; xzhou@caldwellcc.com; weatherwax@lowensteinweatherwax.com:

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